**SMUD**

SACRAMENTO MUNICIPAL UTILITY DISTRICT

The Power To Do More.®

P.O. Box 15830, Sacramento, CA 95852-1830; 1-888-742-SMUD (7683)

LEG 2009-0603

November 19, 2009

*Via Email: EPS@energy.state.ca.us
mpryor@energy.state.ca.us
and via U.S. Mail*

California Energy Commission
EPS Compliance
1516 Ninth Street
Sacramento, CA 95814-512
Attn: Compliance Filing

Re: Compliance Filing of the Sacramento Municipal Utility District

Gentlemen:

Pursuant to Title 20, Chapter 11, Section 2909 of the California Code of Regulations¹ adopted by the California Energy Commission (CEC) to implement Senate Bill SB 1368, the Sacramento Municipal Utility District (SMUD) hereby submits the attached compliance filing. Through this compliance filing, SMUD requests that the CEC find that SMUD's twenty-year agreement (PPA) with Buena Vista Biomass Power LLC, Inc. for the purchase of energy, capacity, capacity attributes, and environmental attributes from a 16 MW biomass facility (Project) complies with the CEC's emission performance standard (EPS).

As way of background, in accordance with Section 2909, on November 2, 2009 SMUD sent to the CEC via email the Board agenda for SMUD's November 5th Board of Directors' meeting. The SMUD agenda contained a uniform resource locator (URL) to the materials submitted to the Board of Directors, which included information about the proposed procurement and a draft compliance filing. On November 5th, SMUD's Board of Directors approved the attached compliance filing, and authorized the General Manager to execute the compliance filing attestation and the PPA.

On November 19th, the General Manager executed the PPA. Section 2909 requires that the compliance filing be submitted to the CEC within ten business days of execution of the PPA. In light of the foregoing, SMUD has complied with the notice and timing requirements of the CEC's regulations.

¹ All further references are to Title 20, Chapter 11 of the California Code of Regulations, unless otherwise specified.

Section 2903(b)(1) provides that powerplants that meet the criteria of a renewable electricity generation facility, as defined by the California Renewable Portfolio Standard (RPS) legislation and guidelines adopted thereunder, are "determined to be compliant" with the EPS. The Project has submitted its application for precertification to the CEC as a "renewable electricity generation facility" for the purposes of the California RPS. Accordingly, it is determined to be compliant under the CEC regulations.

SMUD remains committed to the promotion and development of renewable resources, consistent with its long-standing environmental policy objectives. We look forward to your determination that the Project complies with the EPS. Please do not hesitate to contact me, if you have any questions about the foregoing.

Sincerely,



Laura Lewis
Senior Attorney
Sacramento Municipal Utility District

/dm

Enclosure

cc: Arlen Orchard
Corporate Files

**CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**

California Energy Commission
EPS Compliance
1516 Ninth Street
Sacramento, CA 95814-512
Attention: Compliance Filing

This is to inform you that the Sacramento Municipal Utility District (SMUD) entered into a contract for renewable energy on November 19th, 2009. The contract information is as follows:

Name of Counterparty: Buena Vista Biomass Power LLC

Name of Facility: Buena Vista Biomass Facility

Location of Facility: Ione, CA

Technology/Fuel: Woody Biomass

Nameplate Capacity of Facility: 18.3 Gross MW

Product Description: Unit Contingent Firm Energy

Substitute energy allowed: No

Delivery Start Date-Delivery End Date: 20 years beginning in July 2010 and ending in June 2030. SMUD has an option to extend the agreement an additional five years through 2035 with the same contract terms.

Further description of technology if necessary:

The Facility is a re-powered woody biomass facility to be owned by the Facility Owner and located at the site of a former lignite burning facility in Ione, California. The Facility will utilize Biomass Fuel. The Facility may be co-fired with fossil fuel during start-up operations. The Facility's owner expects annual fossil fuel usage of less than 2% of total fuel inputs to Facility (HHV heat input).

Further description of facility output profile, if necessary:

The Facility output will provide "baseload" energy except during planned and forced outages.

Description of other relevant contract terms:

SMUD is entitled to all Green Attributes and Capacity Attributes associated with the Metered Output of the Facility.

The facilities CEC pre-certification for the California RPS is currently under review with the expectation it will be approved, as it meets all of the requirements for pre-certification. The PPA requires the Seller to cause the Facility to acquire CEC certification and maintain CEC certification throughout the Term of the PPA. SMUD may terminate if the Facility does not maintain CEC certification throughout the Term.

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Section 2.3.3 of the PPA provides that the PPA is void and all energy deliveries shall be terminated no later than the Effective Date of any decision by the CEC pursuant to Section 2910 of the California Public Utilities Code that the covered procurement fails to comply with the emission performance standard.

We are asking that the Commission find that this PPA is compliant with the greenhouse gases emission performance standard set forth in Chapter 11 of Title 20 of the California Code of Regulations. Specifically, SMUD asserts herein that the Facility under contract is compliant pursuant to Section §2903(b) of the regulations.

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EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**


COMPLIANCE FILING ATTESTATION

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the Sacramento Municipal Utility District (SMUD) authorized by its governing board to sign this attestation on its behalf;
2. The SMUD Board of Directors has reviewed and approved in a public meeting both the covered procurement and the compliance filing described above;
3. Based on the SMUD Board of Director's knowledge, information, and belief, the compliance filing does not contain a material misstatement or omission of fact;
4. Based on the SMUD Board of Director's knowledge, information, or belief the covered procurement complies with Title 20, Division 2, Chapter 11, Article 1 of the California Code of Regulations; and
5. The covered procurement contains contractual terms of conditions specifying that the contract or commitment is void and all energy deliveries shall be terminated no later than the effective date of any Commission decision pursuant to Title 20, California Code of Regulations, section 2910, that the covered procurement fails to comply with Title 20, Division 2, Chapter 11, Article 1, of the California Code of Regulations.

Sacramento Municipal Utility District

By:


John Di Stasio, General Manager & CEO

Date: November 19, 2009